

Communications International Wireless Corporation

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May 27, 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Rochelle Chong, Commissioner
Federal Communications Commission
1919 M Street, N.W.,
Washington, D.C. 20554

In Re: Support of Set-Asides for "Designated Entities" Participation in PCS

Dear Commissioner Chong:

I would like to take this opportunity to congratulate you on your appointment to the Federal Communication Commission. Additionally, I am requesting your support of a set-aside for Small Business, Woman and Minority Owned Businesses and Rural Telco's (SWMRs) for portions of the spectrum that will be auctioned pursuant to Omnibus Budget Reconciliation Act of 1993.

Communications International Wireless Corporation (CIWC) was formed in anticipation of bidding on the auction and is owned by a minority. CIWC has invested money, time and resources for the past year into Communications International Wireless Corporation (CIWC). CIWC is owned by a consortium of small businesses, women and rural owned telecommunications companies.

Set-asides for this group represent 85% of the population of this group. Further, small businesses (SWMRs) create 85% of the new jobs generated in this economy with the same percentage of votes. It is imperative to stable economic growth and efficient and wide spread use of the "information highway" that the majority of the United States population has the ability to be an owner of air space along the information highway.

SWMR's require set-aside to lower the cost of capital. Large companies such as Ameritech, Bell Atlantic, Bell South, American Telephone and Telegraph, Mass Communications Corporation have an average of 10% cost of capital. However, SWMRs have a 20% cost of capital as identified by Time Warner on September 10, 1993. The internal rate of return for SWMRs without set-asides is too high to be competitive with non-SWMRs or the top 15 percent of this country. Bidding credits alone cannot level the playing field between SWMRs and the members of the Fortune 100 companies.

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The Honorable Rochelle Chung, Commissioner
Federal Communications Commission

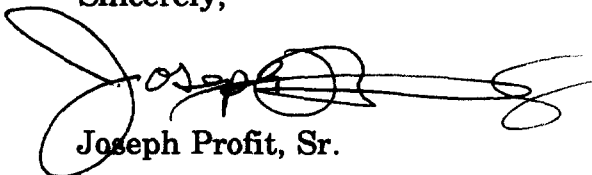
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SWMRs are requesting that a 30 MHz (C Band) be set-aside for only SWMRs to compete among themselves. As a consequence, business owned by minorities, women, rural and small business individuals as defined by the Small Business Administration would be able to bid on the designated airspace and ultimately own a portion of the information highway. CIWC has met with investment bankers since mid 1993 and they have stated that the markets will raise the capital if the frequency allocation has set asides, but if it does not have set asides, in form of "designated entities" the financial and business incentive would not be present.

Finally, companies such as CIWC will cease to exist without set-asides. Although the designated entities represent a broad cross section of America. CIWC urges you to support the full participation of the designated entities in this great PSC opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Profit, Sr.", with a large, stylized flourish extending to the right.

Joseph Profit, Sr.

GWC